

# TAXPAYER'S GUIDE TO LOCAL PROPERTY TAX DEFERRALS

## SENIORS Clause 41A

The Department of Revenue (DOR) has created this fact sheet to provide general information about local property tax deferrals for seniors. **It is not designed to address all questions or issues and does not change any provision of the Massachusetts General Laws. To find out about the specific eligibility and application requirements in your city or town, you must contact your local board of assessors.** The DOR cannot determine your eligibility or give you legal advice. Property taxes are assessed and collected by cities and towns, not by the DOR. Under state law, only your board of assessors, as the local tax administrator, can decide whether you qualify for a deferral. If you disagree with its decision, you may appeal to the state Appellate Tax Board (or county commissioners if your county's government has not been abolished).

### INTRODUCTION

Cities and towns may give property tax exemptions to some individuals as defined by state law. An exemption discharges the taxpayer from the legal obligation to pay all or a part of the tax assessed for the fiscal year. Exemptions are found in various clauses of Massachusetts General Laws Chapter 59, Section 5 ([M.G.L. c. 59, § 5](#)).

Under Clause 41A, seniors may also be able to **delay payment** of their property taxes. A property tax deferral does not discharge the tax obligation like an exemption. Instead, it defers payment until the senior sells the property or passes away. A deferral allows seniors to use resources that would go to pay taxes to defray living expenses instead. Taxpayers who qualify for personal exemptions under other clauses in M.G.L. c. 59, § 5 (for example, for seniors, disabled veterans, blind persons or surviving spouses) may defer all or part of the balance of their reduced taxes.

If you qualify, you must enter into a written tax deferral and recovery agreement with the local assessors. The assessors will record a statement at the Registry of Deeds to continue the lien that exists on your property by law to secure payment of the deferred taxes. Joint owners, remaindermen and mortgagees must give prior written approval.

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| <b>APPLICATIONS</b> | <p>You must file an application for each fiscal year with the assessors in the city or town where your property is located. The application is due on April 1, or three months after the actual tax bills are mailed, whichever is later. <b><i>Filing on time is required. By law, the assessors may not waive this filing deadline, nor act on a late application, for any reason.</i></b> Filing an application does not entitle you to delay your tax payment.</p> |
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| <b>DOCUMENTATION</b>  | <p>You must provide the assessors with whatever information is reasonably required to establish eligibility. This information may include, but is not limited to:</p> <ol style="list-style-type: none"> <li>1. Birth certificates.</li> <li>2. Evidence of ownership, domicile and occupancy.</li> <li>3. Income tax returns.</li> </ol>   |
| <b>ELIGIBILITY REQUIREMENTS</b>   | <p>You must satisfy tests relating to age, domicile, ownership, occupancy and annual income. <b>You must meet <u>all</u> eligibility requirements as of July 1 of the tax year.</b> (<i>The fiscal year of cities and towns begins July 1 and ends the following June 30.</i>) <b>If you do not meet all requirements as of July 1, you <u>cannot</u> defer all or any portion of your taxes for that tax year.</b></p>   |
| <b>AGE</b>  | You must be 65 or older.  |
| <b>DOMICILE</b>   | <p>You must have had a domicile in Massachusetts for at least 10 consecutive years before the tax year begins. You must also be domiciled in the property. Your domicile is where your principal and legal home is located, your family, social, civic and economic life is centered and you plan to return whenever you are away. You may have more than one residence, but only one domicile.</p>   |
| <b>OWNERSHIP AND OCCUPANCY</b>  | <p>You must have owned and occupied the property, or other real property in Massachusetts, as a domicile for at least 5 years. The years do not have to be consecutive or at the same location.</p> <ol style="list-style-type: none"> <li>1. You may own the property solely, as a joint owner or as a tenant in common.</li> <li>2. If you hold a life estate in the domicile, you are the owner.</li> <li>3. If your domicile is held in a trust, you are the owner only if: <ol style="list-style-type: none"> <li>a. You are a trustee or co-trustee of that trust, <b>and</b></li> <li>b. You have a sufficient beneficial interest in the domicile.</li> </ol> </li> </ol> |
| <b>INCOME LIMITS</b><br><br><b>In Arlington income limit is \$103,000</b> | <p>Your income (gross receipts) for the previous calendar year cannot exceed \$20,000. If you are married, the combined gross receipts of you and your spouse cannot exceed \$20,000. The gross receipts limit may be increased up to the income limit allowed for the "circuit breaker" state income tax credit for single non-head of household filers, by vote of the legislative body of your city or town.</p> <p><b>Gross receipts means income from <u>all</u> sources and is broader than taxable income for federal or state income tax purposes.</b> Ordinary business expenses and losses are deducted but not personal or family expenses.</p>                        |

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| <p><b>DEFERRAL AMOUNT</b></p> <p><b>Interest Rate<br/>for FY 2025 -<br/>6.5%</b></p> | <p>You may defer payment of all or a part of the taxes owed each year so long as (1) you continue to qualify, <u>and</u> (2) the cumulative deferred taxes and accrued interest are not more than 50% of your proportional ownership share of the fair cash value of the property. For example, if you are a joint owner with one other person, the total amount deferred cannot be more than 25% of the property's value.</p> <p>If you own the property with someone who is not your spouse, the amount you may defer annually is also limited to your proportional ownership share of the year's tax.</p> <p>Interest on deferred taxes accrues at 8%, or a lower rate voted by the legislative body of your city or town before July 1 of the tax year.</p> |
| <p><b>SURVIVING SPOUSE</b></p>   | <p>Your surviving spouse who qualifies may continue to defer taxes but must enter into a new deferral and recovery agreement. Surviving spouses who inherit a property must have occupied it, or other real property in Massachusetts, as a domicile for at least 5 years. Any additional taxes plus interest deferred by your surviving spouse, plus the amounts previously deferred and unpaid, cannot be more than 50% of the spouse's proportional ownership share of the fair cash value of the property.</p>  |
| <p><b>PAYMENT</b></p>  | <p>The payment of deferred taxes and accrued interest <b>is due when the property is sold or you pass away</b>, unless your surviving spouse continues to defer. As of that date, the interest rate goes up to 16%. If 6 months later, the deferred amount has not been paid, the treasurer may petition the Land Court to foreclose the lien on the property.</p>  |

| <b>APPEALS</b>                    |   |
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| <p><b>Appellate Tax Board</b></p> | <p>The Appellate Tax Board (ATB) is an independent, quasi-judicial state board that hears taxpayer appeals from local assessors' decisions on property tax abatements and exemptions. If county government has not been abolished, appeals may be made to the county commissioners instead, but assessors may and usually do transfer those appeals to the ATB. ATB decisions may be appealed to the Appeals Court and, ultimately, to the Supreme Judicial Court.</p> <p>You can obtain the ATB's <a href="#">guide</a> to the property tax appeal process from its website (<a href="http://www.mass.gov/atb">www.mass.gov/atb</a>) or by calling 617-727-3100.</p> |

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| <b>Appeal of Action of Assessors</b> | <p>You have three months from the date of the assessors' decision on your deferral application to appeal to the ATB. <b>This includes decisions to deny a deferral or to grant a deferral of a lesser benefit.</b> If the application was deemed denied, your appeal must be filed within three months of the deemed denied date. As a general rule, if the real estate tax on your domicile is over \$5,000, you must also have paid all preliminary and actual tax installments on time for the ATB to hear your appeal.</p> <p>The assessors may grant the deferral or higher deferral in final settlement of your application during the three month period for filing an appeal. In that case, you do not have to have filed an appeal with the ATB. However, if a settlement is not reached and a deferral not granted during that period, you must have filed your appeal by the deadline. If not, the ATB cannot hear the appeal.</p> |
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| <b>ASSESSMENT AND DEFERRAL CALENDAR</b>  |   |
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| <b>January 1</b>   | Property Tax Assessment and Lien Date for Next Fiscal Year                  |
| <b>July 1</b>  | Fiscal Year Begins<br>Real Estate Deferral Eligibility Date for Fiscal Year |
| <b>October - December</b>  | Actual Tax Bills Mailed for Fiscal Year                                     |
| <b>November 1 (Semi-annual Payment Communities)<br/>February 1 (Quarterly Payment Communities)</b> | 1 <sup>st</sup> Actual Tax Installment Payment Due <sup>1</sup>             |
| <b>April 1, or 3 Calendar Months from Mailing of Actual Tax Bill if later</b>                      | Deferral Applications to Assessors Due <sup>2</sup>                         |

<sup>1</sup> Contact your assessors. The due date depends on the payment system used in your community and the date actual tax bills were mailed for fiscal year.

<sup>2</sup> Some assessors may accept applications before actual tax bills are mailed. If not, or your application is not approved, you must apply by this deadline to claim the deferral.

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| <b>3 Calendar Months from Filing of Application (or Date of Written Extension Given by Taxpayer)</b> | Assessors Grant or Deny Deferral<br>Application Deemed Denied if Assessors Have Not Acted |
| <b>3 Calendar Months from Assessors' Action on Application, or Deemed Denial of Application</b>      | Appeal to ATB Due   |



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MASSACHUSETTS

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[www.arlingtonma.gov](http://www.arlingtonma.gov)

FY 2025  
interest rate  
is **6.5%**

## Senior Tax Deferral with optional CPA Clause 41A

### Qualifications

- Applicant must own and occupy property as their domicile as of July 1, 2024
- Massachusetts must have been the applicants state of primary residence for the past 10 years as of July 1, 2024
- Applicant must have owned **and** occupied a home anywhere in Massachusetts for the past five years as of July 1, 2024
- Applicant must be 65 or older as of July 1, 2024
- Income<sup>1</sup> (from 2023) must not exceed \$103,000.
- No asset restrictions

### Instructions

- A new application is required each year.
- Please complete this application with the same accuracy as you would your income tax return.
- The 2025 application filing deadline is **APRIL 1, 2025**. This deadline cannot be extended or waived by the Board of Assessors for any reason. **It is best to apply as early as possible.**
- New applicants filing as a Senior, must include a copy of a driver's license, birth certificate or passport for proof of age.
- Provide a copy of your 2023 Federal Income Tax Return and supporting schedules\*.
- If your home is held in a Trust, please provide a copy of the most current Trust document and amendments, including any schedules. **(If you have not previously provided them)**
- Be sure to sign and date your application.
- Submit your application to the Office of the Board of Assessors via mail, drop box (located in parking lot adjacent to Town Hall) or in person. You will be contacted by mail if additional documentation is required.

Please note that the CPA surcharge **cannot** be deferred. It has to be exempted or paid. If you would like to apply for the CPA Surcharge Exemption, please indicate in section provided on application.

\* If you do not file a Federal Income Tax Return, please contact the Assessors' Office.

<sup>1</sup>Income (gross receipts) means income from all sources and is broader than taxable income for federal or state income tax purposes. Income includes but is not limited to; salary, wages, social security, rental income, interest, dividends, distributions, pensions and all other retirement benefits.



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## Senior

### 2025 APPLICATION FOR PROPERTY TAX DEFERRAL

Clause 41A with optional CPA M.G.L. Chapter 59, § 5

This application is not open to public inspection.

#### FILING PROCEDURE- See instructions

The 2025 filing deadline is April 1, 2025. It is best to file as early as possible.  
The deadline cannot be extended or waived by the Board of Assessors for any reason.  
Applications received after April 1, 2025, will be deemed denied.

You will be contacted by mail regarding any additional documentation needed to process your application.

#### APPLICANT INFORMATION

Include applicant, spouse, co-owner(s) in the home as of July 1, 2024

| Name<br>First, Middle Initial, Last | Relationship to<br>Applicant | Date of Birth<br>MM/DD/YYYY |
|-------------------------------------|------------------------------|-----------------------------|
|                                     | APPLICANT                    |                             |
|                                     |                              |                             |
|                                     |                              |                             |

#### MINIMUM AGE REQUIREMENT

I am the homeowner/applicant, and I am ☐ Age 65 or over, as of July 1, 2024. If applying for the first time, include proof of age.

|   |  |              |                                |          |
|---|--|--------------|--------------------------------|----------|
| Applicant<br>Address<br>As of July 1, 2024        | Street Address   | Town         | State                          | Zip Code |
| Applicant Contact<br>Information                  | Home Phone   | Mobile Phone | E-mail Address                 |          |
| Contact Person,<br>other than<br>above (optional) | I give my permission to release information<br>to the above-named individual | Relationship | Phone Number of Contact Person |          |

Have you owned and occupied the property as your domicile for at least 10 years? **YES NO**

If **NO**, list the other properties you owned and/ or occupied during the past 10 years

| Address | Dates | Owned                    | Occupied                 |
|---------|-------|--------------------------|--------------------------|
|         |       | <input type="checkbox"/> | <input type="checkbox"/> |
|         |       | <input type="checkbox"/> | <input type="checkbox"/> |
|         |       | <input type="checkbox"/> | <input type="checkbox"/> |

Indicate amount of tax you are seeking to defer. Entire Year ☐ Partial Year ☐ \$ specify amount

Have you applied for or been granted a real estate exemption in any other city or town, in Massachusetts or any other State, for this year? **YES NO**

|                                   |                 |
|-----------------------------------|-----------------|
|                                   | \$              |
| If yes, Name of City/Town & State | Amount exempted |

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**PERSONS WITH INTEREST IN PROPERTY**Did you own the property on July 1, 2024 as: Sole Owner ☐ Co-owner with spouse only ☐ Co-owner with others ☐Is the ownership of the property in a trust as of July 1, 2024? YES ☐ NO ☐

If yes, please include Declaration of Trust and all schedules, unless you previously provided them.

Was there a mortgage, or home equity line of credit (HELOC) on the property as of July 1, 2024? YES ☐ NO ☐

If yes; amount due on mortgage \$ \_\_\_\_\_ Name of bank \_\_\_\_\_

Was the property subject to a life estate as of July 1, 2024? YES ☐ NO ☐

If yes, name(s) of remaindermen (person(s) receiving the property after your death) \_\_\_\_\_

If you would like to be considered for the Community Preservation Act (CPA) Surcharge Exemption.

The income you indicate below will be used to verify your eligibility for the CPA Exemption.

Check  
Here☐**GROSS INCOME** from all sources for the preceding (2023) calendar year.Indicate Income amounts for applicant, spouse and/or another co-owner. Income should be total amount received for **2023**.  
Each income source requires proof. Please enclose copy of **2023** Federal Income Tax Return, including all schedules

| Gross Income (Use Actual Amounts from Calendar 2023)      | Documentation Required           | Applicant & Spouse (if applicable) |  | Other Co-Owner(s) |  |
|---|----------------------------------|------------------------------------|--|-------------------|--|
| Wages, Salaries, Tips and other Compensation              | Federal Tax Return               | \$                                 |  | \$                |  |
| Interest  | Federal Tax Return               | \$                                 |  | \$                |  |
| Dividends   | Federal Tax Return               | \$                                 |  | \$                |  |
| IRA distributions & Retirement Distributions (401K, 403B) | Federal Tax Return               | \$                                 |  | \$                |  |
| Pensions & Annuities                                      | Federal Tax Return               | \$                                 |  | \$                |  |
| Social Security/SSI Benefits                              | Federal Tax Return               | \$                                 |  | \$                |  |
| Veterans Disability Benefits                              | Benefit letter from 2022         | \$                                 |  | \$                |  |
| Net Profits from Rental Income                            | Schedule E of Federal Tax Return | \$                                 |  | \$                |  |
| Unemployment Compensation                                 | Federal Tax Return               | \$                                 |  | \$                |  |
| Capital Gains   | Schedule D of Federal Tax Return | \$                                 |  | \$                |  |
| Gambling Winnings   | Federal Tax Return               | \$                                 |  | \$                |  |
| TOTALS  |                                  | \$                                 |  | \$                |  |

**SIGNATURE.** Sign to complete the application

This application has been prepared and examined by me. Under the pains and penalties of perjury, I declare that to the best of my knowledge and belief, this application and all accompanying documents and statements are true, correct, and complete. I also understand that failure to cooperate with any review of my eligibility may cause the application to be denied.

Applicant Signature

Date

Spouse/Co-Owner Signature (if living in the home)

Date

Completed on behalf of Applicant by

Relationship

Signature

Date



## TAXPAYER INFORMATION ABOUT PERSONAL EXEMPTIONS

**PERSONAL EXEMPTIONS.** You may be eligible to reduce all or a portion of the taxes assessed on your domicile if you meet the qualifications for one of the personal exemptions allowed under Massachusetts law. Qualifications vary, but generally relate to age, ownership, residency, disability, income, or assets.

You may be eligible for an exemption if you fall into any of these categories:

- Legally blind person
- Veteran with a service-connected disability
- Surviving spouse of service member, national guard member or veteran who died from active-duty injury or illness
- Surviving spouse
- Minor child of a deceased parent
- Senior citizen aged 70 and older (65 and older by local option)

**Please note only one of the exemptions above are allowed each year, choose the one that provides the maximum benefit for you. Any of the above may be combined with Senior property tax deferral and/or Community Preservation Act (CPA) Surcharge Exemption.**

More detailed information about the qualifications for each exemption may be obtained from your Board of Assessors.

**WHO MAY FILE AN APPLICATION.** You may file an application if you meet all qualifications for a personal exemption as of July 1. You may also apply if you are the personal representative of the estate, or trustee under the will, of a person who qualified for a personal exemption on July 1.

**WHEN AND WHERE APPLICATION MUST BE FILED.** Your application must be filed with the Assessors' Office on or before April 1, or 3 months after the actual tax bills were mailed for the fiscal year, whichever is later. An application is filed when (1) received by the Assessors' Office on or before the filing deadline, or (2) mailed by United States mail, first class postage prepaid, to the proper address of the Assessors' Office, on or before the filing deadline, as shown by a postmark made by the United States Postal Service. This deadline cannot be extended or waived by The Board of Assessors or any staff of the Assessors' Office, for any reason. If your application is not timely filed, you lose all rights to an exemption and the Assessors cannot by law grant to one.

**PAYMENT OF TAX.** Filing an application does not stay the collection of your taxes. In some cases, you must pay all preliminary and actual installments of the tax when due to appeal the Board of Assessors' disposition of your application. Failure to pay the tax when due may also subject you to interest charges and collection action. To avoid any loss of rights or additional charges, you should pay the tax as assessed. If an exemption is granted and you have paid the entire year's tax, you will receive a refund of any overpayment.

**ASSESSORS DECISION.** Upon applying for an exemption, you may be required to provide the Board of Assessors with further information and supporting documentation to establish your eligibility. The Board of Assessors has 3 months from the date your application is filed to act on it unless you agree in writing before that period expires to extend it for a specific time. If the Board of Assessors do not act on your application within the original or extended period, it is deemed denied. You will be notified in writing whether an exemption has been granted or denied.

**APPEAL.** You may appeal the disposition of your application to the Appellate Tax Board, or if applicable, the County Commissioners. The appeal must be filed within 3 months of the date the Board of Assessors acted on your application, or the date your application was deemed denied, whichever is applicable. The disposition notice will provide you with further information about the appeal procedure and deadline.